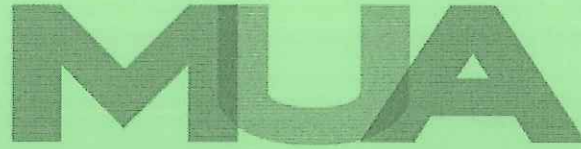


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**UNDERGRADUATE UNIVERSITY EXAMINATIONS**

**SCHOOL OF MANAGEMENT AND LEADERSHIP**

**DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP/ BACHELOR  
OF ARTS DEVELOPMENT STUDIES/ BACHELOR OF COMMERCE**

**UCU 101/ BCM 124:                    PRINCIPLES AND PRACTICE OF MANAGEMENT**

**DATE:                                        10<sup>TH</sup> AUGUST 2018**

**DURATION:    2 HOURS**

**MAXIMUM MARKS: 70**

**INSTRUCTIONS:**

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **six (6)** questions.
4. Question ONE is compulsory.
5. Answer any other **THREE** questions.
6. Question one carries **25 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided.**

## QUESTION ONE

**Read the Case Study below carefully and answer the questions that follow:**

### VIVENDI UNIVERSAL

Vivendi Universal is a French firm that started in 1853 as *Companie General des Eaux*. It grew from a French water utility company into one of the world's largest conglomerates. Under the corporate leadership of CEO Jean Marie Messier, Vivendi Universal became a highly diversified company involved in music, publishing, film, pay TV, telecoms, Internet, water distribution, thermal energy supply, building and heavy public construction projects, waste management, electrical energy services, real estate and other activities. Mr. Messier was forced out of the company in July, 2002, in a liquidity crisis and mounting shareholder anger. The acquisitions made by Mr. Messier saddled the company with billions of dollars of debts. Vivendi shares plummeted 80 percent during the last six months Mr. Messier was CEO, according to the Wall Street Journal. Meanwhile, the SEC indicated that a disputed severance payment of \$23 million to Mr. Messier may actually constitute "ill-gotten gains," reported the Wall Street Journal. Vivendi Universal refused to make the payment saying the board and shareholders had never agreed to the severance payment. On the brink of bankruptcy, Vivendi Universal brought in Jean-Rene' Fourtou to replace Mr. Messier as CEO. According to the business media, Mr. Fourtou has taken a dying enterprise and given it a survival plan. He sold numerous of Vivendi Universals businesses, bringing the company to focus on Cegetel, a phone company, SFR, a cellphone company, Canal Plus, a television company, and Universal Music. Mr. Fourtou was able to reduce Vivendi's debt from 37 billion euros in 2002 to a projected 5 billion euros by the end of 2004. The company showed its first quarterly profit at the end of 2003, allowing Mr. Fourtou to arrange a loan from a banking consortium and giving the company hopes that credit-rating agencies would raise its debt from junk-bond status, according to the New York



Times. Mr. Fourtoun told the Wall Street Journal that his goal is to restore value to shareholders over the medium term. "I don't give a damn where the stock is today. I tell investors: 'See you in the fall of 2004.

**Required:**

- i. Name the stakeholders of Vivendi Universal and their role as stakeholders in Vivendi Universal's recent history. (10 marks)
- ii. In your opinion, who is ultimately responsible for the problems at Vivendi Universal? Give your reasons. (5 marks)
- iii. Why did Vivendi Universal bring in an outsider to replace Mr. Messier?(5 marks)
- iv. What are the important characteristics of management as a business function? (5 marks)

**QUESTION TWO**

- a) Define Management by Objective (2 marks)
- b) What are the benefits of Management by Objective? (4 marks)
- c) What are the weaknesses of Management by Objective? (4 Marks)
- d) How can you ensure effective delegation in your organization? (5 Marks)

**QUESTION THREE**

- a) The need and significance of management functions in the modern organizations is vital. Discuss why we study management. (10 marks)
- b) Define the term directing and explain the four elements of directing. (5 marks)

#### QUESTION FOUR

- a) Every organization engages in planning process. Explain four limitations of the effectiveness of the planning process? (4 marks)
- b) There are fundamental issues that arise from McGregor's theory X and Y as we study management practices. Outline what these two theories state. (6 Marks)
- c) Explain the need for control today in companies (5 Marks)

#### QUESTION FIVE

What do we mean by the term Principles of management? Discuss the ten Principles of Management according to Henri Fayol. (15 marks)

#### QUESTION SIX

- a) Analyze the Sources of Individual Resistance to Change in an organization. (5 marks)
- b) As a manager you ought to know your structures well. What are the advantages and Disadvantages of Functional Organization Structures? (10 marks)